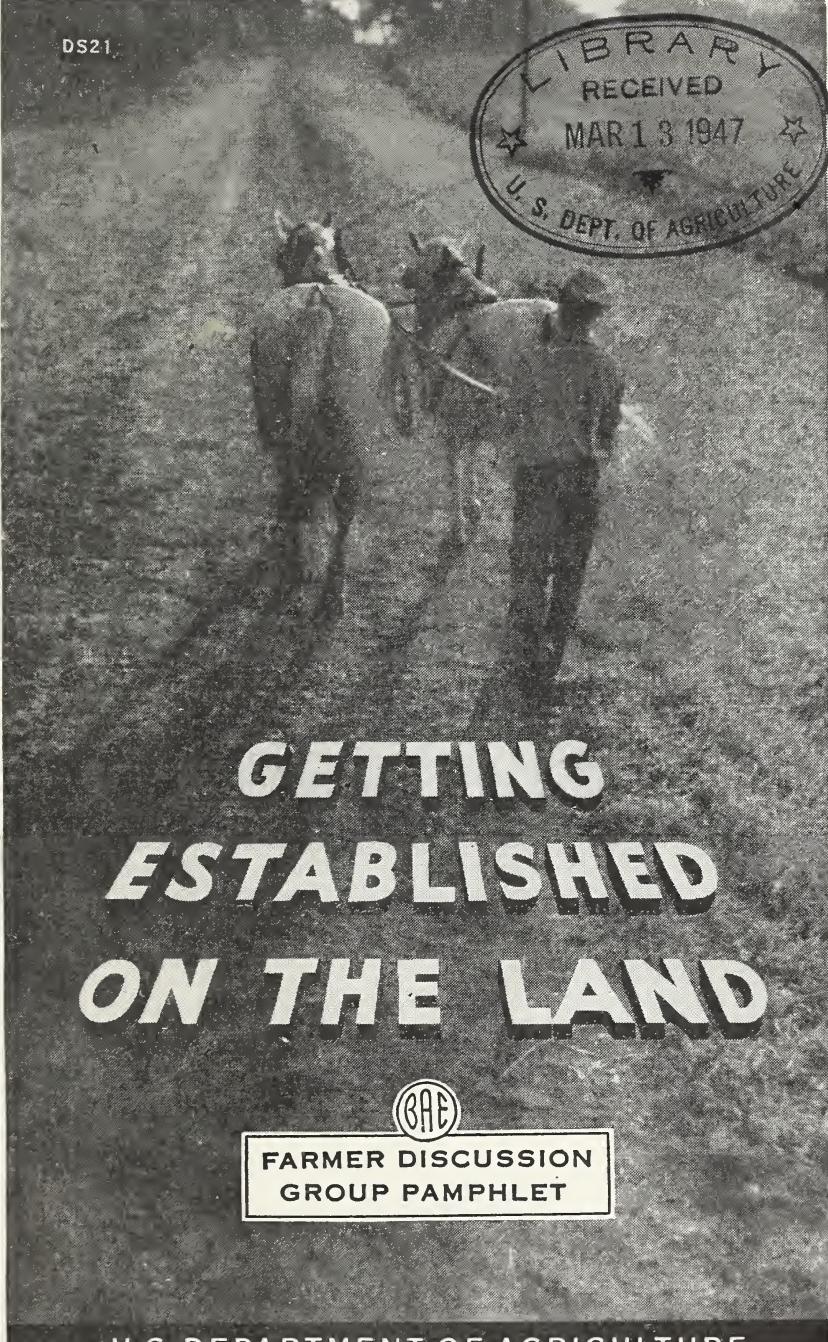
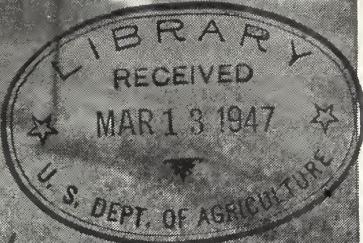


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GETTING ESTABLISHED ON THE LAND



FARMER DISCUSSION
GROUP PAMPHLET

U. S. DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS

GETTING ESTABLISHED ON THE LAND

INTRODUCTION

In this set of discussions the aim is to discover whether it is desirable to own a farm under present conditions in this community; whether one should even consider farming as a life work; whether desirable farms are available; what constitutes a good farm family; if farm ownership is desirable, how it can be attained; whether rural churches have any responsibility in helping tenants become owners, and, if so, what is its nature?

Six discussions are outlined. These should be enough for six meetings of the group. Consideration of the problem should not be hurried. If more time is required, more meetings should be held. Effectiveness of discussion may be increased by following suggestions in pamphlets DN-1 and DN-2 and other publications describing methods of conducting study through group participation. Material for supplementary study of the general tenancy situation may be obtained from the sources mentioned on p. 50.

The discussions here outlined are designed, not only to aid local rural organizations in formulating policies for use in helping worthy members get a foothold on the land, but to direct attention to general trends throughout the country. This pamphlet is intended also to gain for national organizations the benefit of the thinking of local groups everywhere in regard to forming national policies. Therefore, it is hoped that each group will have a secretary who will keep a record of the suggestions made during the discussions and who will send a report to the designated official of the proper national denominational or rural organizational group.

It is desirable that problems of acquiring land in the local community be related to the general land situation in the county, State, and Nation. Study groups should consult representatives of the county agent's office, the Farm Security Administration, the Soil Conservation Service, and other agencies for information concerning the farm and land resources of the county and community. In many counties land use planning committees have developed maps and charts showing soil conditions, crop and livestock production trends, and other items valuable in deciding whether one should try to own land. Representatives from those offices are available for group meetings in their counties.

The State Agricultural Extension Service also has specialists who are available as their time permits. Write the director of extension of your State college of agriculture concerning your needs.

Good material may be found in farm papers and heard over the radio. A selected list of references on the national ownership-rental situation is found at the close of this pamphlet.

It is hoped that when the series of discussion meetings on this subject is finished, the local situation will be better understood and that the national rural organizations may be in position to know better how they may be of service.

DISCUSSION I—THE FARMER AND HIS PROBLEMS

Questions

1. What do you think are the advantages and disadvantages of farm life in your community compared with, say, life and factory employment in a nearby village? If you had to make a choice, which life would you choose? Why?
2. How many families have moved away from your community in recent years to go to work in an industrial town or city? Have local people found it easier or harder to get city jobs?
3. If young couples in your community buy or rent farms, will other farmers be displaced, or is there enough land to take care of more farms? Have many farms in your community become smaller in recent years as a result of dividing up the land?
4. Is the average local farmer a well-to-do citizen? How does he measure his wealth? How important do you think he considers cash income in sizing up his success as a farmer?
5. List the farms in your community which you believe have badly worn-out soils. What kind of farming do the operators carry on? Do you think they could have stopped the erosion and soil depletion?
6. How would you define "secure" when applied to a farm? How many farms in your community do you think you could classify as secure under your definition?
7. Are local farmers producing more or less on their land than they used to? Is more machinery used? What do you see as the effect of increased "productivity per unit" upon: (1) Opportunities for other local farmers, (2) relief rolls, (3) migration of families away from the area, (4) the taxes that people pay?
8. Do you notice any particular trends in the farming and farm life of your community? Is the age of the average farm operator greater or less than it was 10 years ago? Are farm incomes increasing or decreasing? Are farms larger or smaller?
9. In your community, how many farmers are able to supplement their farm income with cash derived from off-the-farm employment? Do you think there will be more of this part-time work in the future? What are the advantages and disadvantages of such a scheme?

10. Is the average farm in your community larger or smaller, better or worse equipped, more or less productive, than it was 10 years ago? What do you think are the reasons for these changes?

Thousands of farmers in the United States are faced with the problem of survival. These farmers are either owners or renters of farms from which it is becoming more difficult to make a living in face of increased competition, depleted soils, and shifting markets for their products.

During the earlier years of the last decade our farmers felt severely the force of deep-rooted pressures. They saw the number of people living on the land grow larger and larger as a result of natural increases in population, and as a result of a drying up of city job opportunities for their children. They actually saw a migration of city people to the land. More recently, however, the defense emergency and other forces have turned the tide of population again toward industrial centers.

These farmers know that the extent of land in cultivation or available for crops has not increased in proportion to the increased population. They know, too, that much of the land in cultivation is wearing out—has been cropped heavily for years, plowed up where it should never have been broken, not given a chance to replenish its strength. They have seen friends left stranded on this poor land, and have probably themselves felt the pinch of smaller returns from worn-out land.

At the same time they have seen the medium-size family-type farm slowly disappearing in many areas. Large-scale mechanized farms and consolidated units have sprung up on one hand, and the pressure of population on the land has caused the growth of many small, divided farms on the other. Increased productivity arising from technological advance has brought higher income to some, and increased pressure of population has brought distress to many. All farmers have shared somewhat in the increased efficiency that marks the modern farm enterprise, but many of them only to a limited degree. Their too-small farms, their overworked land, their scant capital, their low cash reserve have held them back.

In many areas, too, the family-type farm has simply become larger and more efficiently operated. Displacement of tenants has been general in these areas. Mechanization has improved the position of many families who own their own farms, whereas at the same time it has displaced tenants who formerly were secure on the land.

Tied in closely with the farmer's problems has been his status on the agricultural ladder. Many farmers who are tenants—that is, who rent the land they work, the house they live in, and often the tools they use—have found themselves in a position of insecurity out of which it has become harder and harder to move. Some aspects of tenancy can make it difficult, and in some instances impossible, for many tenant farmers to move ahead. As a result, poverty and insecurity characterize tenancy in many areas throughout the United States.

Many young farmers who are starting off do not have much opportunity to choose between day labor, tenancy, and ownership. Usually they must take what is available. Few become owners at the start. Good land at prices within a young farmer's ability to pay is extremely scarce. Moreover, the young farmer is hindered by the usual necessity of making a sizable down-payment of his own before he can obtain credit for purchase of a farm.

What the young farmer really wants for himself and his family is the most secure way. Farming now does not look so secure as it once did; and the popular impression that there are hordes of landless field workers displaced by agricultural changes testifies to the loss of security for many farm families. But the young farmer is awake to the fact that basic problems of farm insecurity are now being faced by farmers and their friends where before they were overlooked. On the basis of this progress he can look ahead and try to plan intelligently.

Before we discuss the implications of the young farmer's choice of ways to attain farm security, let us consider some of the changes that have come about in our agriculture over the years.

Farmers Go to Town

At the time the Constitution of the United States was adopted, about 80 out of every 100 persons in this country were living on farms. By 1930 the proportion had fallen to 25 out of every 100. This drop was due, of course, to the tremendous growth of our big cities. Actually, during the depression years the number of people on farms increased to the point where the pressure of population upon the land was regarded as one of the major problems of agriculture. Up to 1930 the pressure was not felt so keenly, for great numbers of people were moving each year into the cities where they found employment in offices, mills, and factories. Vast new domains had been opened up in the West and people had migrated there to establish farms on the frontier.

But for some years after 1930 the pressure of population on the land was intensified. Closed, certainly, was the western frontier which had absorbed so much of our growing population. Closed, too, were the employment opportunities which had attracted so many thousands from the land. Depression checked this cityward trend abruptly.

Few realize how important farm-to-city migration has been, not only in supplying workers for expanding industries but in relieving population pressure on the farms. The farm birth rate is 40 to 50 percent higher than that needed to keep the farm population permanently stable, and in 1930 it was twice as high as the birth rate in cities of 100,000 population and over.

During the decade 1920-30 the net migration from United States farms was about 6,300,000 people, of which 2,000,000 were youths between 16 and 24 years of age. This migration amounted to 16 percent of the Nation's rural-farm population and accounted for 40 percent of all new workers in industry. About three-fourths of these farm people, incidentally, moved into only 167 counties where manufacturing was predominant.

As a result of this movement of people to the cities, the farm population increased very slowly over the years.

So many people moved off farms from 1920 to 1930 that, in spite of heavy increases in farm population after 1930, there were only 115,000 more farm people in 1937 than in 1920. The natural increase in farm population was more than 7,600,000 in this 17-year period, or almost 450,000 people each year. Most of them moved to the city.

More People on the Land

The years after 1930 found the trend of the previous decade reversed. Factories and offices were shut down, and there was little further demand for new workers in the cities. Population backed up on the farms. Let us compare the 5 years before 1930 with the 5 years that followed.

In the period between 1925 and 1930, a total of 2,965,000 people migrated from farms to cities, and as the natural increase in the farm population during that time was only 2,070,000, there was actually a net loss in our farm population amounting to about 895,000 people in those years. But, during the years 1930 through 1934, the farm-to-city migration was only 598,000. In those 5 years the natural increase in farm population was 2,023,000, leaving a net gain on the farms of 1,632,000 people.

In 1932 so many people left the cities and sought a livelihood on the farms that there was actually a net flow of 266,000 people to farms. Many of the people found their way to small, unproductive tracts on which they had no chance to succeed.

It is important to keep in mind that during this period when the farm population was increasing rapidly, very little if any, new land was being brought into cultivation. Farms were being divided up, near-worthless and abandoned land was being taken up again, and thousands of part-time farms were appearing, as distressed people made an attempt to adjust themselves to depression conditions.

The great increase in the number of small farms had begun long before the depression, however. From 1860

to 1930, while the number of farms in this country was tripling, the size of the average farm was steadily decreasing. This was true in spite of the fact that very large farms were also increasing rapidly in number. The number of farms of less than 50 acres has increased by one-third from 1880 to 1935. Independent farmers who were forced on relief or into rehabilitation programs during the depression years were found to be chiefly those whose acreages were very much below the average for the farmers of the United States as a whole.

Getting More From the Land

Not only were there more farmers on the amount of land available for cultivation in many parts of the country, but farmers as a whole are able to produce a lot more with what they have than farmers were several decades ago. As a result of new machinery and better methods the average production per farm worker in 1930 was 150 percent higher than in 1870. Of course, during those years the city population was growing tremendously and there was a big demand from urban areas and from abroad to absorb a large part of our farm products. But when demand fell off, the competition among farmers for the smaller market was intense. It is estimated that the normal requirements in farm production, for both domestic and foreign outlets, can now be met with 1,600,000 fewer workers on farms than in 1929—only 12 years ago. Yet in many sections there are actually more people on the farms to produce for the market. The trend toward fewer farms has modified somewhat the effects of the depression years but the records show increases of 41.3 percent in farms under 10 acres and 24.7 percent in farms of 1,000 and over. Both these trends will affect the welfare of the farmer of the future.

But this increased ability to produce has not come to all farmers. Many small operators have not been able to take advantage of improved methods, because they lack soil resources, credit, access to markets, cooperative facilities, or other enabling circumstances. Thousands of

small farmers still follow primitive methods of farm operation. Naturally they cannot compete with the big "factories in the field"; frequently they are forced to "mine" their soil even more, in order to make ends meet.

Losing the Soil

Uneconomic cropping practices have ruined thousands of acres of soil in this country. It is estimated that nearly one-third of the farm population live on lands from which partial or complete evacuation is either advisable or necessary. It is further estimated that only 212,000,000 of the present total cropland of 415,000,000 acres can be cultivated under existing practices without seriously endangering the soil. Even under the best farming practices, 75,000,000 acres should be retired from further cultivation if it is to be saved at all.

Soil erosion has injured 775,000,000 acres of land in this country and has ruined or severely damaged 282,000,000 more. The productive value of 75 percent of the tilled soil has been reduced. Nearly 50,000,000 acres of formerly good land have been destroyed by soil erosion and abandoned—an area equal to the States of Pennsylvania, Massachusetts, and Connecticut combined. Another 50,000,000 acres are in bad shape and still another 100,000,000 have suffered from loss of topsoil.

Decline of Ownership

To the two adverse conditions of population pressure and soil destruction has been added another—insecurity of tenure. Thousands of farmers, large and small, have been unable to keep their heads above water under the impact of adverse forces since the World War. The small owners—burdened with debts, faced with competition, selling their products at low prices when depression hit—toppled into the ranks of the tenants. Tenants, on the other hand, found themselves squeezed out time and again, as landlords were forced to cut them loose, to find work as day laborers if possible. The equity of farm operators in farm real estate dropped from 62 percent of

the total farm real estate value in 1880 to 39 percent in 1935. And the proportion of tenants to the total number of farmers increased during this period from 25 to 42 percent. In the period 1930-37 alone, there were about 3,500,000 transfers of title to farms, about 1,500,000 of which were due to foreclosures, forced sale, bankruptcy, or tax sale.

On the basis of the average increase in the number of tenant families for the years 1930 through 1935, it is estimated that the ranks of the tenants were at that time being increased at the rate of 40,000 families each year. In 1935 about 42 percent of the farmers of the country leased all the land they cultivated. The percentage in 1940 was 39 but this decrease is accounted for to a considerable extent by the fall of many tenants into the wage-earning group. If land that is rented by part owners and operated by managers is included, more than one-half of the cropland is leased and cultivated by nonowners. In some States, it is estimated that the equity of operating farmers in their lands is little more than one-fifth, nearly 80 percent being concentrated in the hands of landlords and mortgage holders.

Farmers Face Their Problems

The main conditions adversely affecting the farmer are not temporary, resulting only from the depression, but at the same time they are conditions that can definitely be met and improved. For instance, increased productivity per farm worker, which has made it possible for about one-half the farmers today to produce enough goods to meet the current domestic and foreign demand for our agricultural products, is not permanently damaging to the other half of the farmers; it is probable that expanding markets will eventually absorb many of the products of the other half. Nor must the other half necessarily be faced with the grim alternative of markets for certain commercial cash crops, or dire want. Even small farms offer a variety of sources of real income. On the other hand it must also be remembered that the effects of things like depressions are not transitory; they remain long after

the depression has passed—farmers who toppled over into tenancy did not quickly spring back into their former places as owners as soon as better times returned.

People have to think and plan their ways out of the adversities that beset them. Nothing makes people think more than being confronted with the facts. For example, the problems of tenancy might be more universally studied if it were widely recognized; whereas ownership is one of the foundation stones of our democracy, the trend in land tenure is more and more away from ownership. The proportion of tenants has increased from 38 percent of all farm operators to 42 percent in 1930 and 1935. In 1940 the percentage was again 39 percent but this drop was due in part to the fall of tenants into the wage-earning group. Moreover, it is estimated that more than 350,000 farm families are now migrating from farm to farm in search of work in the fields.

Day laborers are playing an increasingly important part in many fields of agriculture. In some areas the day-labor family enjoys a relatively high standard of living; in others his status is miserable and insecure. One of the main factors in depressing the conditions among day laborers in still other places has been the dislocation of families from uneconomic areas, such as drought and submarginal areas, and their influx into the day-labor field at peak seasons. Much of this dislocation has come about as a result of natural calamity, but some of it has been due to the inability of small farmers to compete with better equipped and bigger farms for commercial markets.

DISCUSSION II—SOME EFFECTS OF TENANCY

Questions

1. How many families do you know personally in your community who move frequently from one farm to another? What do you think are the advantages and disadvantages of this moving? Do you believe that the families themselves have benefited from the moving?
2. How are the churches, the school, the merchant, and the community as a whole affected when farm families move from one locality to another? Give examples.
3. List the families in your community who own their own land. Who rent. Who work as day laborers.
4. In what ways has tenancy helped your community? How has it harmed your community?
5. Has the system of tenancy in your area improved in recent years? Are the landlords and tenants satisfied with existing arrangements?
6. Do local tenant families seem to attend church and participate in other community affairs as much as owner families? Why might there be any difference, in this respect, between the two sets of people?
7. Has there been any noticeable increase in "absentee ownership" in your community? If so, can you notice any effects of it? What might be the significance of an even more widespread development of ownership by people who are not interested in the land as farm operators?
8. Does the average renter in your locality pay a share of the crop as rent, or does he pay cash? Which do you think is the better method of payment? Why?
9. Are local tenant farms larger or smaller than farms of owners? Is the soil on each about the same? Would you say that the work required on each is about the same, too?
10. How would you compare tenants with owners in your community with regard to: (1) Income, (2) education, (3) social advantages, (4) housing, (5) health, (6) enjoyment of life?

Tenancy used to be regarded as one of the rungs in the agricultural ladder. Young men starting out on farms, after several years of experience as hired hands, were supposed to go through the stage of tenancy on their way

to becoming owners, gaining experience and putting aside money while they worked on somebody else's farm.

But it has become increasingly difficult for farmers to climb from the tenancy rung to the ownership rung. A permanent tenant group, from which relatively few emerge into ownership, has been developing. It has not been the depression alone that has made this upward movement difficult, although depressions do tend to keep tenants on the rung longer and do push heavily indebted owners back into the tenant ranks.

The deep forces that were mentioned in the last discussion are keeping the tenants back. Intense competition, soil depletion, and widespread mechanization are checking the efforts of many tenants to accumulate capital, save money, or find a decent farm at a reasonable price. Many owners, at the same time, are finding it difficult to make ends meet in a cash-crop economy on their small acres; they cannot afford to buy expensive machines or more land. So more owners are falling into tenancy, and tenants are being displaced rapidly as big farms substitute tractors and hired hands.

Tenancy—operating some other person's farm—can be good and can be bad. It depends largely upon what sort of a relation the tenant can work out with the landowner with regard to the use of the land. In some parts of the United States, tenancy has developed to a large extent as an arrangement whereby the renter moves from farm to farm, year after year, without getting anchored in any one place. This kind of tenancy is fairly widespread. Under insecure tenancy of this sort, there is little planning of the best possible land use for the farm, little incentive for either party to improve the property, little chance of healthy community life for the tenant and his family. Cash crops are often planted up to the tenant's front porch, few animals are kept, schools and churches are neglected, and health frequently suffers. Although the nature of the leasing arrangement is not the only factor involved in the insecurity of these tenant families, it contributes heavily to their unsatisfactory condition.

One method of improving tenancy is the use of written leases which link the landlord and the tenant together, so that the farm operator can plan ahead for several years. The content of the lease, however, is far more important than the fact that it is written. A good written lease recognizes that the tenant has a stake in the farm, that he wants to improve the property and do all he can to make the farm a paying proposition. The landlord stands to gain from such an attitude, and encourages it by agreeing to make improvements that will help the tenant achieve a better living.

Insecurity of tenure, intensive cash-cropping, and sub-standard living and health conditions are the three aspects of tenancy in this country which have often caused people to identify tenancy with rural poverty. In a large number of areas low-income farm families are predominantly tenants and tenants are predominantly low-income families.

Farmers Without Farms

Many tenants periodically face the necessity of moving. Large numbers have no difficulty in finding new farms to work; others are faced with more or less permanent dislocation. For example, in the five Corn Belt States of Ohio, Indiana, Illinois, Iowa, and Missouri, where an estimated 25,000 tenant farm families were unable to find farms to operate during the 1940 crop year, the reason most frequently cited by local governmental agents who reported the inability of so many families to get locations was "expansion of farm operations and increase in the size of farms due to improved equipment and mechanization." In many instances this meant that fewer tenants were permanently needed to work the land.

Of the large group of tenants who make up about 40 percent of all the farmers in this country, approximately one-third, or 1,000,000 families, move every year from one farm to another at a total cost of about \$50,000,000 to the families themselves and a direct and indirect cost to landlords which probably exceeds that amount. Figures from the 1935 farm census showed that 34.2 percent of

all tenant families had moved to their present farms less than a year before, 47.2 percent less than 2 years, and 71.4 percent less than 5 years.

Only about 20 percent of all share tenants in the United States have a written lease with provisions making them secure in their tenure for more than 1 year. The great majority of the landlord-tenant agreements are verbal. This has been one of the chief causes of farm-to-farm moving and is at the heart of many landlord-tenant disagreements. What a lease says is, of course, the important thing; the difficulty with verbal leases is that there is likely to be great disagreement about the lease's contents. Another bad aspect of many leases is their short term. Many large absentee owners, anxious to sell rather than rent their property, lease for only a year at a time and this contributes to the insecurity of the tenant operators.

Constant moving means many kinds of waste—to the family, to the landlord, to the community, to the Nation. If we take the census figures quoted above, we find that only 3 tenant families out of every 10 have been on their present farms long enough to plan and carry out a 5-year crop rotation. The other 7 farmers have been forced to get what they can from the soil during their stay on the farms and have had little opportunity to plan for the long-run conservation of the land.

Moving every year means poor housing. The tenant has no incentive to fix up the homestead and buildings if he may not be on the farm the following year, and the landlord does not want to put much money into housing improvements that may not be taken care of by transient tenants. For the entire country the average value placed on dwellings on full-owner farms in 1930 was \$1,427, while that on tenant farmers' dwellings was \$702, less than half as much.

Tenure and Farm Management

The tenant operating a farm on a year-to-year lease is handicapped in working out a system of farming that involves adequate livestock production, some of which is

required on well-rounded economic farming units. Permanent pasture, alfalfa, other hay crops, and temporary pasture crops that are necessary in dairying and beef-cattle production require longer planning than many tenants find possible.

In addition, it takes years to build up a herd and the necessary facilities for livestock production. Moreover, livestock herds cannot be liquidated quickly without risking considerable financial loss. Thus, many tenants with short leases do not find it advisable to engage in dairying and beef-cattle production. In an effort to utilize their marginal lands for row crops, the farmers improperly use their resources, and often their soil becomes eroded and depleted.

Soil-conserving practices, such as longer rotations and the building up of cattle herds, involve immediate costs and investments, returns on which are distributed over many years to come. If the tenant cannot reap the benefits of his labor, he will not engage in the work at all. As it is, tenant farmers leave many dollars' worth of unexhausted fertilizer, lime, and manure on the farms when they leave, and are not compensated for doing so. Tenants also leave some small investment in certain necessary improvements—fences, roads, ditches, water supply, wood-lots, and terracing.

Tenants and Cash Crops

Areas of high tenancy have been predominantly areas of specialized cash-crop production. More than two-thirds of the total cotton acreage in the United States is operated by tenants; and nearly half of the tobacco acreage, 45 percent of the total land in corn for grain, and almost two-fifths of the total wheat acreage are on tenant farms.

In 1935 over 70 percent of all tenant farms were concentrated in counties growing cash crops. In 1924, the only year for which such figures are available, tenant farms produced about 41 percent of the salable harvest. Less than 42 percent of the owner, part-owner, and manager farms were in cash-crop counties. (The other 58

percent were in general-farming areas.) Recent figures (1940) indicate, however, that tenancy is becoming stabilized even in the diversified general-farm areas of the Middle West, but the process of stabilization is resulting in the displacement of many tenants into the ranks of day laborers.

Some studies show that tenants often hasten the process of erosion by putting a greater proportion of their land in intertilled crops, by planting less grass and legumes, and by maintaining fewer acres of permanent pastures and woodland than good practice would allow. Tenant farms had fewer roughage-consuming livestock, and few soil-improving techniques were used.

The President's Committee on Farm Tenancy, in 1935, reported a survey in southern Iowa and northern Missouri, in areas where there is serious erosion and depletion of soil resources, showing that erosion is due partly to the insecurity with which the farmers hold their farms. The survey showed that farms operated for 1 or 2 years by the same man had a much larger proportion of land in soil-depleting cash crops and a 50 percent higher "soil erosion rating" than farms operated for 13 or more years by the same operator.

The tenant, as a cash-crop farmer, has been faced with hazardous price fluctuations which contributed considerably to his instability. The average price received by farmers for a bushel of wheat, for example, has ranged up and down the scale from 38 cents to \$2.16, since 1915. Tenants with their year's income tied up in crops with such uncertain prices have had severe difficulties in low-price years. Over the years corn has fluctuated from 32 cents to \$1.52 a bushel, cotton from 6 to 35 cents a pound, and tobacco from 8 to 31 cents a pound.

Hardships for the Family

Insecurity of tenure works hardships on all members of the family. A study made by the Oklahoma Agricultural College showed that "children of less frequent movers averaged around one-fifth more educational progress per

school age year than did the children of more frequent movers. * * * The more stable group of tenants took about 25 percent more dailies and 33 percent more farm journals than did the more frequent movers." This report is typical of reports of similar studies that have been made in many parts of the country.

Another local study showed that in a low-tenancy area there were 257 churches and 21,035 church members, but in a high-tenancy area with 3½ times as many people, there were only 218 churches and 17,262 members. The value of crops in the high-tenancy area was \$46,000,000 and in the low-tenancy area \$3,500,000; yet the former had a value of only \$658,000 in church buildings, the latter a value of \$784,000.

Still another local survey revealed that 70.8 percent of the full owners were church members, compared with 57.3 percent of the tenants and 50.8 percent of the sharecroppers. In general, the insecure tenant family evidently had less opportunity to take part in civic and community activities.

Tenancy and Low Income

A vast majority of the farmers who were forced on relief before 1935 were tenants or sharecroppers or day laborers, and more than 70 percent of the low-income farmers who have received rehabilitation aid from the Farm Security Administration have been nonowners. Farmers on the rehabilitation program are naturally those with the lowest income, who are unable to make ends meet on the farms they are operating.

In 1935, about 25 percent of the farm families in the country had net annual incomes of less than \$500. As a large proportion of the families who got rehabilitation help were from this lowest-income group, it is apparent that most of the tenants aided by rehabilitation loans and grants came from this less-than-\$500 sector of the farm population. As a matter of fact, the average gross cash income of farm families before they came on the rehabilitation program in 1939 was only \$483. More than two-thirds of these families were tenant families.

DISCUSSION III—SECURITY FOR THE TENANT FARMERS

Questions

1. Do you know many tenant farmers in your community who have become owners? How were they financed? Did they get good farms?
2. What would you recommend for improving the conditions of tenant farmers in your community? What sort of improvement is most needed? Would ownership bring about improvements?
3. Have many farms in your county been ruined by uneconomic farm practices? Where would you place the blame for such destruction? Has tenancy had anything to do with it?
4. Are there farmers in your neighborhood who are making good on very small acreages, much smaller than their neighbors own? If so, what is the secret of their success? Do you think other farmers can do the same thing?
5. Do you think the farmers in your community are making the best use, not only of their own resources, but also of the various services which their State and Federal Governments make available to them? What are some of those services?
6. Can a number of different crops be raised on local farms if the farmers would choose to raise them? Can you tell which farmers, the owners, or the tenants, in general, are raising more different kinds of crops, and diversifying their other enterprises?
7. Do you know of some landlord-tenant relationships in your community in which the tenant is given a feeling of long-run security as a result of a close and friendly arrangement with the landowner? What are the aspects of these relationships which make the tenant's place more secure?
8. List a few farms owned by the operator and others rented by the operator. Can you tell any difference in the way the places are run, the crops that are planted, and the uses to which the soil is put?
9. What chances are there in your neighborhood for a young farmer to buy a farm? What chances are there for a tenant to save enough money to become an owner? Are many of the present owners men who were tenant farmers formerly?

The young farmer who becomes a tenant may find that tenancy is a step toward ownership. He may even find that tenancy offers him the stability and security he wants, so he does not have to invest in ownership. On the other hand, it may turn out that he is faced with the prospect of continued insecurity because of the uncertainty of working someone else's farm. He may even be forced into the day-labor status; thousands of young tenants have been.

In general terms, there are two ways in which the tenant's conditions may be improved. First, the conditions under which he operates someone else's land can be made more equitable and the tenant can be given certain guaranties that enable him to look ahead and plan his work. Second, the tenant may be aided in achieving ownership and leaving the renter status altogether.

It is obvious in the United States today, however, that either of these two steps of improvement is just the beginning of efforts that can be made to help small farmers become secure on the land. Owners are losing their farms daily; and even those tenants who work under very desirable leasing arrangements are finding it difficult to keep their heads above water. Here again, the forces discussed earlier act upon all farmers just as do the short-run forces in a depression.

Many tenants, of course, are located on the big farm tracts where good land makes farming profitable. But more and more of these tenants are being displaced as the trend toward large-scale mechanization—tractors and day laborers—advances. These displaced farmers, if they are lucky, can become tenants somewhere else, but usually on poor land. Many become migrant farm laborers, and others move into towns and cities to find jobs, or failing that, to go on relief.

Both owners and tenants, even those living on good grades of land, have had to discover ways of getting more and better products off their same acres, and of rearranging their farm program so as to get the most out of their land and labor. Farmers of other nations, faced with the same problem long before those in the United States, have

been able to make tremendous gains in this direction. Farmers in Norway, for example, operating farms that average only 20 acres in size and located on only fair soil, maintained, up to the present European war, one of the world's highest standards of rural living. They made the very most out of what they had.

It is generally agreed that before farmers can make progress toward "bigger acres," they have to achieve some security of tenure on the land they work. Consequently, tenure improvement is being stressed in many areas. Loans (thus far in limited numbers, however) are being made to enable tenants to become owners. Practices that cut the farmer's costs, improve the use of his time and resources, and lessen his dependence upon cash from a single cash crop, are being put into effect as a result of far-reaching efforts of the Federal Government.

The pattern of our agriculture has changed radically as a result of economic forces in our Nation's growth. Big farms get bigger and more numerous, small farms get smaller and more numerous, owners become tenants, tenants become laborers, many laborers go on relief for a large part of the year. The efforts of our people and our Government are now directed toward adapting our farmers' efforts to the changes that have taken place. Similar adaptations abroad took many years before they were completed.

What Others Have Done

Several European countries have had to face similar problems of farm insecurity at an earlier date. These countries have taken steps, first, to improve tenure conditions, and second, to develop a type of agriculture on the farms which enables the farmer to get the most out of his acres. The details of the European programs differ widely and are doubtless little suited to the conditions of agriculture here. But the broad principles that underlie the European programs are wholly relevant, the more so because many of them have had long years of testing.

Let us look briefly at what England has done to meet the problems of farm insecurity. In England, a great deal of

thought has been given to the problem of landlord-tenant relations, and over the years several laws have been passed which have made this relationship clear and equitable for both parties.

English law provides that the tenant may claim compensation for the improvements he has made on the farm, and he may also claim compensation for the increased value of the farm which has come about as a result of his using a wise system of farming. In other words, the tenant farmer is encouraged to use better farming practices, not only because in the long run it will pay him dividends, but also because he will be compensated for the work he has done if he is forced to move from the farm for any reason. As a result, tenants seek to improve the farms they operate; they do not stand to lose by being better farmers. They get paid for their hard work at rotation, for their applications of fertilizer, for their use of better methods.

English tenants can claim compensation for "disturbance" if the landlord unreasonably terminates the lease. The owner can also make claims if the tenant is unreasonable. This same sort of compensation can be claimed if the landlord refuses to submit the matter of rent to a committee of outsiders for consideration. At the same time, the landlord may claim compensation for deterioration or waste brought about by the tenant. Owing to these concise and complete statutory provisions, explicit written leases, and long-term occupancy, relatively few differences between landlords and tenants arise in England.

These advances in English landlord-tenant relationships came slowly. Efforts to improve the status of English tenants have been persistently made since 1851. Now many English farmers would rather rent than buy land, for they have an equity in the land without owning it, leaving their money free for operating expenses, to buy livestock and equipment, rather than to invest it in a land title. Small farmers have been enabled to buy farms, however, under a small-holdings program which makes available long-term loans for the purpose. Hundreds of former tenants

and day laborers have become owners under this program. In addition, some form of security on the land has been brought to farm hands in England. Minimum wages have been established by the Government, and limits have been set on the length of the working day.

More Out of Less

A lesson to other nations is found in England's discovery that a good living can be made off a few acres. Thousands of English farms of 10 to 20 acres have recently been carefully and effectively worked to bring a high standard of living to the small farmers. This scientific, productive agriculture has been made possible largely as a result of the security these farmers have in operating their land.

The English experience with land-tenure reform and the encouragement of land ownership has been paralleled in other European countries. Security for the small farmer has long been the watchword of Norwegian agricultural policy, and the same thing has been true in the other Scandinavian countries—Denmark and Sweden. Tenants and small owners in both Scotland and Ireland have been aided by legislation in establishing themselves more permanently on the land. In all of these countries, farmers have been given a chance to stand or fall on their own efforts.

The important phase about these programs is that the farms that have been made secure for farmers are small farms, one-half or one-third the size of what we call "small farms" in this country. That land was worked hard for centuries before most of the soil in this country was even broken. Moreover, vast portions of the soil in countries like Norway were relatively poor and rocky in the first place. These small farmers have learned how to produce a lot from a little, and how to build up the little as they go along. On 80 percent of Norwegian farms there are only 10 acres or less, sandwiched in between rocks and boulders; yet these thrifty farmers have had plenty of the essentials of life, have had enjoyment and community living, adequate schooling, and many more modern electrical

and mechanical facilities than most tenants in the United States.

It may be that the war will modify land-tenure practices in the countries mentioned, but the experience of peace times is of great value.

Improvement of Tenure

It has been only recently that we in the United States have seriously thought about tenure improvement and intensifying the proper use of our soil resources. For years it was relatively easy for small farmers to expand, or for small tenants to add new tracts to the land they worked. It was easy to move when there was new land to be cleared. It was relatively easy to make a profit or at least a living from cash crops grown in new, fresh soil. Little attention was being paid to the destruction of the soil under this wasteful system, or to the gradual increase in the number of people being forced onto the poorer lands, or to the growing numbers of farmers working under vague agreements that made it impossible for them to use their resources wisely.

The Federal Government has become deeply concerned with the problem of insecure tenants. The Government's program early developed three phases which have been particularly expanded during the last decade. One phase is tenure improvement itself, dealing with the mechanics of the landlord-tenant relation. A second phase is improvement in the tenant's ability to make a decent living on a small number of acres. A third phase is enabling tenants and other insecure nonowners to become owners of their farms.

Efforts toward tenure improvement have been carried on for years by State Agricultural Colleges and Experiment Stations. More recently the Federal Government, through local county representatives of its various agencies, has been concerned with improvements in landlord-tenant relations. Written, flexible lease forms have been provided by both State and Federal agencies, and thousands of farmers have adopted them and put them into operation.

Written lease forms enable landlord and tenant to make an agreement in writing about vital problems of improvements, compensation, rent, farming methods, expenses, and other miscellaneous matters which frequently present barriers to understanding. As a result, both parties are better able to plan ahead with certainty.

Of course, ironing out leasing difficulties is not always easily accomplished by the leasing agreement itself. Consequently, in a number of States efforts have been made to have enacted certain legislative guarantees for both landlords and tenants, similar in effect to what other countries have found to be necessary. Progress in this direction has been slow. Several States have set up commissions to study tenancy problems, and Iowa has enacted some legislation on the basis of its survey, dealing with landlord-tenant relations.

The land-ownership program for tenants and day laborers, authorized by the Bankhead-Jones Farm Tenant Act of 1935, is discussed later. Still extremely limited in scope, this program enables worthy farmers to buy their own farms on a long-term basis, and makes it possible for them to follow the most effective farming methods in making their enterprise pay out.

Rehabilitation for Low-Income Farmers

The other aspect of the Federal Government's efforts to aid tenants—to help them make a better living on the farms they rent—involves more far-reaching governmental action than simple tenure improvement and less drastic help than in the farm-ownership program. This phase has been a part of the Farm Security Administration's rehabilitation program which has helped more than 500,000 needy tenant families keep off relief and become self-supporting on their leased tracts. Quite apart from getting better leasing arrangements (nearly 70,000 farmers on the program have been aided in moving from sharecropper to cash-rent status), tenants have improved their economic conditions by becoming more efficient and resourceful operators. As in other nations where the pressure of

population upon land has increased, this has been the natural direction of the farmer's efforts toward improving his status.

Government rehabilitation aid to distressed farmers includes small loans for operating purposes and guidance in farming methods, made available through local supervisors. This loan-and-guidance program makes it possible for small farmers to revise their farm enterprises considerably. Arrangements are first made with landlords to provide the tenant borrowers (7 out of every 10 rehabilitation borrowers are nonowners) with some security of tenure while the farmer is getting on his feet. This security is usually obtained through the use of the flexible farm lease.

Then, the farmer is encouraged to diversify his farming activities to bring in more income, save the soil, and make the best use of his resources. The supervisor helps him work out a sound plan of crop rotation which means better yields and soil building over the years. The farmer gets a foundation herd of livestock and a flock of chickens to utilize the farm's soil-building feed and pasture crops and to bring more returns for the farmer's money and labor. In addition, the farmer is encouraged to grow and preserve as much of the food the family will need as possible, cutting expenses and bringing better diets to the children. In other words, the program makes the farmer more self-sufficient and at the same time he gets more for the products he sells.

Farmers Make Progress

A survey has been made of the progress of 360,000 rehabilitation borrowers for the crop year 1939. It shows that the average farmer on the program increased his net income by 43 percent in 1939 over his average before coming on the program. His net worth increased 26 percent—that is, the value of his belongings, over and above his debts including what he owed the Government, went up one-fourth. Moreover, the value of food and feed produced for home consumption on his farm increased by more than 64 percent. For instance, the milk produced for family consumption jumped from 99 gallons to 448

gallons per year; fruits and vegetables canned for home use increased from 51 to 242 quarts; and meat produced for the family table increased from 85 to 447 pounds.

Each of these improvements indicated an increased ability of the small farmer to make his own way. Actually, the trend toward getting more off the same acres has only just begun, here and in some other countries. Conceted efforts are being made in different parts of the country, sponsored by newspapers and local civic groups, to encourage small farmers, both owners and tenants, to get "bigger acres." It has been demonstrated, time and again, that farmers in this country can find the same success from these efforts as farmers in other countries have found.

For example, in the cotton area in eastern Texas a certain farmer is making a better living than most of his neighbors—and on one-eighth the land. He has a 15-acre farm, but he doesn't grow cotton. Most of the land is in oats and vetch. Some is in potatoes, some in peas, some in other truck crops. An acre is in a big garden. There is a small permanent pasture and an orchard, and there are beehives and chickens. The farm keeps the farmer, his wife, and his son busy all the time. The oats, instead of being sold at \$150 on the market, are fed to six cows and their butter brings \$600 a year. A variety of products is taken to market—fruits, vegetables, butter, milk, chickens, eggs, honey, pork. By growing a number of things, these folks keep their market. Their labor is paid for because their products bring in money.

County Land Use Planning Committees

Tenure improvement is just one of the important problems tackled by the local county land use planning committees which are now functioning all over the country. In each county, farmer members of the planning committee cooperate with representatives of agricultural agencies in joint discussions of the problems faced by farmers in the area. Often tenancy is the worst problem; if it is, the farmer members, county agents, agricultural teachers,

farm supervisors, home economists, and local governmental people work together to improve local leasing arrangements or to help tenants do a better job on the land they lease.

Work of the planning committees on tenure improvements is illustrated by recent activities of the committee in Nemaha County, in Kansas. The committee was faced with this problem: on tenant-operated farms, which constituted about half of the county's farms, very few leguminous crops were grown, and very little pasturage was set aside. Thus tenants lacked a stabilized farm program based in part on livestock production. Even more serious was the fact that large acreages of land in cash crops were badly eroded and were losing fertility rapidly. It was obvious that this land should be diverted to legumes and pasture grass as soon as possible for the double purpose of saving the soil and providing a base for the livestock. But the tenants could not afford to buy the seed.

A good deal of the Nemaha tenant land was held by the Federal Land Bank of Wichita. On the recommendations of the Nemaha County land use planning committee, the Land Bank agreed to furnish seed to the tenants who had less than 15 percent of their land in leguminous crops, to enable them to plant from 5 to 8 percent of the cropland on the farms, or an amount sufficient to increase the existing acreage in legumes up to 15 percent. A similar arrangement was made about grass seed, and in addition the Land Bank agreed to furnish the necessary lime and phosphate for the crop change. As a result, these tenants were able to carry on a much better rounded plan of agriculture.

New Aid for Tenants

Other governmental agencies deal with tenure improvement as an incident to their direct programs. The Soil Conservation Service, for example, has improved tenure status in a number of ways while carrying out the program of soil-saving and soil-building for which it was set up. When the Soil Conservation Service erosion-control work started near Muskogee, Okla., about 5 years ago, 70

percent of the farmers were tenants, and 90 percent of the tenants had only 1-year leases. Over most of the valley these insecure farmers were moving from farm to farm each year, looking for a better place. The soil was steadily slipping away, washing the fields down into the creeks. Since that time, 211 farms in this area have been reorganized and stabilized along conservation lines. Today most of the landlords think that the soil is there to stay; and most of the tenants are operating their farms under long-term arrangements. Conservation has not only checked erosion here, but it has helped to stabilize the farm living.

A new approach toward security for nonowner farmers has been worked out by the Government, and is being rapidly expanded, especially in the large-plantation parts of the South. This is the use of rental cooperatives. The Federal Government helps associations made up of a large number of former sharecroppers, tenants, and day laborers, to rent large acreages of contiguous land from private owners for a long period of time. The land is divided into economic units, and each family is loaned enough money to buy the equipment, feed, and seed necessary to start farming operations. In this way former insecure nonowner families are guaranteed long-term operations, and are able to plan their farm enterprises ahead with the aid of trained supervisors.

DISCUSSION IV—OWNERSHIP OR TENANCY— WHICH?

Questions

1. Under what circumstances do you believe a young married couple in your community should rent rather than own the farm they operate?
2. List the farms, about which you know personally, that have been sold in foreclosure proceedings in the last few years. What happened to the former owners? Are the farms now operated by owners or tenants?
3. What do you think are the dangers of buying a farm? Do you know farmers who have started off from scratch and become successful farm owners? How did they do it?
4. Are the rents that farmers pay for land in your community equitable and fair? Do many farmers have difficulty in making their payments?
5. Would you say that owner-farmers in your community owe a lot of money on their farms? Do they have difficulty meeting their payments? Do you know about any farmer who lost his chance for ownership as a result of only one or two bad crop years?
6. How do the local tenants feel about becoming owners? Do they want to become owners? Do they think they will be owners some day? Is there any feeling of inferiority about being tenants?
7. Do you know examples of ill-advised purchase loans being made to farmers in your neighborhood? Why were the loans ill-advised? How could the adverse aspects of the transactions have been eliminated?
8. In the depression, which set of farmers in your community seemed to have the most difficulty making ends meet, the owners or the tenants? Why?
9. Who do you believe runs the most risks, the tenant or the owner? Who has the most capital at stake? Who has the most expenses? Who has the most income?
10. What would you ask for in a lease if you were a prospective tenant? What terms would you like to get on a long-term loan if you were a prospective borrower?

A young farmer faced with a real choice between becoming an owner or becoming a tenant would find that there were numerous influencing factors and that many of them were dependent almost wholly upon local conditions. If the prospective farmer studies the problem of farmers all over the country, he will find that owners and tenants alike have shared in the difficulties that accompany the pressure of population upon the land. The tenant's costs and rents are often matched with the small owner's debts and interest payments.

A number of advantages and disadvantages of tenancy as a way of farming and living have been often considered by farmers and other people who are interested in the farmers' welfare. These do not apply in all areas, but they are generally taken to represent the pros and cons of the question.

Advantages of tenancy might be listed as follows: (1) The farmer is not required to make a heavy down payment, hence it is easier for him to start as a tenant than as an owner or part-owner. (2) By not tying up a lot of money in a land title, the farmer is enabled to apply his funds to the purchase of necessary equipment and machinery which help him do a better job of farming. (3) The farmer is not likely to become so heavily burdened with debt when he is not trying to carry the load of paying off on his property. (4) The farmer also is free from the risks of a heavy investment, the value of which might deteriorate to his disadvantage. (5) It is easier for the farmer, particularly the young farmer, to move along to better farms if he is working under a lease—he is not stuck on the same land which may prove to be poor.

Tenancy, of course, has its disadvantages: (1) The farmer on a short-term lease has little personal interest in the land he tills or the house he lives in, so he is not always a good caretaker. (2) After the farmer has been paying rent for 20 years, say, he still has little of his own to show for it. (3) It may be more difficult to accumulate capital when a tenant because, although expenses may be less, income is likewise less as it is shared with the landowner.

(4) Under tenancy, two farmers try to make a profit from the same land, with the result that housing and equipment are often neglected. (5) The dream of the farmer in the United States is ownership, and land ownership itself has a profound value to most of us.

Most people agree that the disadvantages of tenancy as they appear in our day-to-day agriculture arise not so much from the system as from the way it works. The ravages of intensive cash cropping in many high-tenancy areas, for example, cannot be attributed to tenancy, but to the things the tenant is forced to do. In some areas of the South, the tenant has to get the most out of cash crops to make up for what he loses by not being able to grow his own feed and food.

Similarly, excessive moving, insecure and inequitable leases, poor health, low incomes, poor housing, and social inequality are byproducts of *certain* systems of tenancy rather than indications that tenancy is bad of itself. They are not inevitable. There is one element that all tenancy, even the most equitable, is bound to lack, however, that is the inherent, satisfying value of private ownership of land.

The farmer who owns the land he operates and who knows that his children will depend upon the productivity of this land for the necessities of life, is influenced by a powerful motive which usually impels him to preserve and improve the land. He is likely to terrace the land, drain it, fence it, fertilize it, rotate his crops.

Unfortunately, but naturally, a farmer who has only a tenant relationship to the land he tills, usually feels no strong incentive for preserving and improving the productivity of the land, and his family feels no fondness for the property nor obligation to those who will come after them.

In substantiation of private ownership, many people quote an old adage which runs as follows:

The essential bond of blood and soil is the indispensable condition to the sound life of a nation.

Farm Ownership and Indebtedness

Of the 3,899,091 full owners and part owners who operated their farms in 1935, only 59 percent owned their farms free from mortgage, compared with 71 percent in 1890. All the farmers in the United States own an equity of not more than 42 percent in the total value of all the farms in the country. In terms of the number of people involved, only one-third of the farm population is secure in its ownership, about one-fourth own farms that are encumbered by debt, and nearly one-half are landless. Many of these landless people own no property of any sort except the meager belongings they can readily move from farm to farm.

The mortgage debt on farms in this country was slightly more than \$3,200,000,000 in 1910, and it rose to nearly \$10,000,000,000 in 1925, and was still slightly under \$8,000,000,000 in 1935, despite heavy foreclosures. It was still over \$7,000,000,000 in 1939. The average debt on each acre of all farm real estate more than doubled between 1910 and 1920, and in 1923 the debt per acre was almost three times that of 1910. In 1935 it was still almost double. The value of the land per acre was actually less in 1935 than in 1910. The ratio of debt to the value of farms owned by the operators increased from 27 percent in 1910 to 29 percent in 1920, 40 percent in 1930, and 50 percent in 1935.

In 1910 the mortgage debt was about half the total gross farm income, and in 1930 and 1935 it was virtually equal to the income. The lower interest rates have not counterbalanced the larger load of debt. In 1910 farmers paid about \$203,000,000 interest on mortgage debts, and in 1935 they were paying about \$410,000,000. This had decreased in 1938 to \$357,000,000. It is estimated that the interest that farmers pay each year would install a bathroom and modern plumbing in every farmhouse in the country in 5 or 6 years, and would build a new house for every young couple starting to farm.

Mortgage debt, of course, cannot be regarded as a total disadvantage to farm ownership. Mortgaging their

property in time of need has enabled thousands of farmers to maintain their farms and continue farming in the face of otherwise unsurmountable difficulties. Like tenancy, mortgages are not bad in themselves. Foreclosures come about as a result of the continued impact of adverse forces upon the heavily indebted farmer. Mortgage indebtedness, however, has toppled many farmers into tenancy status by making it harder for the farmers to make ends meet.

Heavy indebtedness, mortgage and otherwise, has been scaled down by thousands of farmers with the help of voluntary farm-debt adjustment committees set up in nearly every agricultural county. Debtors and creditors get together with committees of local farmers and businessmen and reach an amicable settlement on the debts between them. More than 200,600 farmers have had their debts, aggregating \$409,067,000 before adjustment, scaled down by \$93,648,000, or about 22 percent, with the help of these committees. As a result of these adjustments, the farmers have been able to pay \$5,175,000 in back taxes.

Tenants, of course, pay rents which run up to a very large total for the country as a whole. It is estimated that the rents paid by all farmers to nonfarmers in 1910 totaled \$561,000,000 and the figure had risen to \$829,000,000 in 1937.

Need for Rural Housing

A considerable part of the expenses borne by small farmers, owners and tenants alike, goes for property that is in very poor condition. Rural housing has long been one of the Nation's most pressing problems. It was estimated that between 600,000 and 1,000,000 new farm houses, costing \$2,450,000,000 were needed in 1934. A survey made in that year showed that 75 percent of our farmhouses were more than 25 years old; that 85 percent had no bathrooms; that more than 83 percent had no water piped into the house; that 91 percent had no indoor toilets; and that more than 15 percent had no toilet facilities whatever. Only 3 out of 10 had a kitchen sink with a drain, and the same number had adequate screening. Nearly 1 out of every 5 had no screening at all. More than

82 percent needed more paint, and 40 percent had no paint whatever.

Housing for tenants was generally found to be worse than the dwellings in which owners lived. In 1930, for instance, the census revealed that the proportion of tenants who had water piped into their dwellings was only one-third, and the proportion who had electric lights only one-fourth, of the proportion of owner farmers who had the same facilities.

It has been estimated that about 100,000 more farms are needed each year to provide for the normal increase in the young farm population. In the 5 years from 1930-35 the number of farm youth increased by 1,115,000, or 19 percent. Many of them would ordinarily have migrated to the cities, but employment opportunities had dried up during those depression years. Very few of them could turn to farms, to operate either as tenants or part owners. Most of the increase of 66,000 owner-operators each year in the 5-year period was due to distress shifts and reclassifications or changes in status. In the main, the increases in farm ownership occurred in the areas of less productive land, where acreages could be bought with limited capital.

Obviously, it is impossible to offer opportunities of ownership to young farmers coming along or to any large portion of the nearly 3,000,000 tenants in the country today. To undertake to provide funds for the purchase of farms by the tenants would cost nearly 12 billion dollars just to buy the farms in a run-down and unequipped condition. As a matter of fact, estimates made in 1934 indicated it would cost about \$8,500,000,000 to put the farmhouses of this country in good repair if all materials were bought and all labor were hired at prevailing wage rates; and between \$5,000,000,000 and \$6,000,000,000 if the farmers did all their own building work and furnished some of the material.

Trend Toward "Bigger Acres"

Whether a farmer becomes an owner or a tenant, his problem still remains: How to make the small farm pay.

The maximum utilization of his resources is the goal toward which he strives. It has become increasingly clear to farmers in this country, as it did earlier to the farmers in other countries, that success in most areas depends not so much on how many acres a farmer has, but on how much the farmer can get off what he has and still maintain the fertility of his soil. That is why the trend has been toward diversification of the farm enterprises to include livestock, for stock turns feed into more money, fertilizes the soil, enables the farmer to utilize poorer land for grazing, and encourages soil-building crops.

The average farmer, in trying to keep down his expenses and increase his output, has also turned more and more to cooperative efforts. Co-ops enable the farmer to share expenses with other farmers and at the same time get the benefits of good machinery, seeds, scientific testing, and all sorts of improvements in farm-production methods. One Government agency, which makes loans to small groups of farmers for the cooperative purchase of livestock and equipment, reports that 17,000 small co-ops composed of approximately 370,000 farmers have been set up to help the members work together.

The "Good" Farm Family

It seems reasonable to say that farm families stand a better chance of making out on the farm, no matter what kind of farm it is, if they are hard-working, sincere, honest, and thrifty people. We do not have statistics which go to prove that such worthy farm families do a lot better than other kinds of families, but it is generally recognized that certain qualities in farm families are almost invariably associated with a healthier, fuller, and more prosperous type of rural living.

Young farmers learn the business of farming by experience, but they can also get a good deal of insight by watching other farmers in the neighborhood, not only as they work their farms, but in their general day-to-day activity. Usually the families with a reputation for character turn out to be the best group of farm managers, but one should

be careful in trying to attribute a farm family's material success to its moral qualities. Many farm families have not had many of the advantages of education. There are hundreds of fine, upstanding families who have been unable to make their farms pay because they did not have knowledge of modern farm practices. Many others, of course, have lacked the money that would make it possible to apply their knowledge, and still other good families have lost out as a result of sudden disasters, like drought, flood, or epidemics.

There is a purpose, however, in tying together material and moral success in defining a "good" farm family. It is probable that such a family has been "good" to the land, to the livestock, and to the machinery and equipment, just as it has been "good" to itself and the neighbors. People cannot mistreat natural resources and remain prosperous; usually they cannot neglect the virtues of character and still share the richness of a full rural life. People of character rarely strive for much more than is needed in the material way, but they like to have the chance to conserve and make the best of what they have. Such conservation is, to them, a virtue. Success in the material sense to them means the best use of their resources.

The "good" farm family may be tenant or owner. If the family has character, if the family has schooling and follows sound farm practices, and if the family has a decent relationship with the land so that this land can do its best—if the family has these things, it is likely to be successful in the best sense of that word.

DISCUSSION V—TENANTS BECOME OWNERS

Questions

1. Are there many family-size farms for sale in your community? What do you consider the minimum standards for a farm that must support a family in fair comfort over a period of years?
2. If you were a banker, what factors would you consider in making a loan to a young farmer to enable him to buy a farm of his own? What do you believe are the dangers of relaxing what are generally known as good business requirements in the loan which you make?
3. Are there any circumstances under which you believe it should be made easier for a tenant to get a farm-purchase loan than ordinary good business judgment would require? Do you know of any loans of this sort that have been made in your community?
4. Do you know of examples of farm families in your community whose security has actually been threatened by an advance of credit which they could not pay back from their farm operations? What do you believe was the trouble? Was the loan too large or was the farm too small and unproductive, or was the farmer simply unable to get the best out of his resources?
5. What do you think is the loss to the community when a local farmer loses his farm through foreclosure? What has happened to farmers in your community who have lost their farms in this way?
6. What is the ordinary relationship between credit agency and borrower in your community? Are the people who pass on applications for farm-purchase loans experienced farmers themselves? Have they any interest in the farm other than the financial one? Is the final determination of the loan made by local people or by some absentee financial agency?
7. How much of a down payment do you believe the average young tenant family in your community can make? Do you know of any good young farmer who has an eye on a farm site he could buy, and who appears to be the kind of farmer who would make a success of farming as an owner, and yet is unable to make a down payment? Are there others?
8. What is the cost of the average-size farm in your community? Do you believe this figure represents the productive value of

- the farm, plus the value of all improvements? Or do you think it represents a speculative valuation which is not determined by the farm's real worth? Do you know of many farms which have been bought at an unreasonably high price and which later turned out to be incapable of supporting the families who owned them?
9. List the advantages and disadvantages of long-term farm-purchase loans which carry low interest rates. Why are such loans particularly important to the children of the borrower?
 10. Do you believe that loans should be accompanied by some sort of stipulation requiring that the borrower follow certain sound farm practices? What are the good and bad points of such a stipulation, as you see it?

Ownership is a goal for thousands of farmers in the United States, young and old. Obviously, for all or a large part of our nonowners to achieve ownership would take our best thinking and greatest efforts for years to come. But along with our movement toward ownership we have come to understand that tenancy improvement will accomplish many of the good things ordinarily ascribed to ownership.

There are two basic reasons, however, why ownership remains an essential plank in the achievement platform for agriculture in the United States: (1) It is a definite part of the aspirations of American people, which gives it a value all its own, and (2) it provides an independence of action which has economic as well as philosophical value to the farmer in a democracy.

These justifications for ownership, of course, do not deny the possibilities of progress under improved tenancy arrangements. Such statements would probably apply in every country; stable agricultural nations like those in the Scandinavian countries have anchored their stability in ownership. At the same time, it must not be forgotten that similarly stable farm conditions were finally achieved in England and Scotland by giving the tenant farmer an equity in someone else's land which he works.

It is vitally important that in working out an ownership program for farmers, the borrower be not overburdened with debt. Helping the farmer to become an owner is really no more important than helping him remain an

owner. Many tenants have gone way over their heads when buying farms, and they have never become real owners. Heavily burdened farmers, like hard-pressed tenants, still work for somebody else, and are inclined under the circumstances to be discouraged, to use their insecure resources for a short-run gain, and to lose interest in the future of their farms.

No matter what kind of credit the farmer gets to enable him to buy a farm, the real basis for his ultimate success as farm owner is his farm—the land and how he works it. Owning a poor farm, or a farm that is poorly run, or a farm that cannot, for one reason or another, be successfully handled by the farmer, is no answer to the insecurity of tenants. Such ownership is shaky security for the money that has been put into the property. Moreover, it is usually disastrous for the farmer. Farm ownership has to be based on sound economics, and sound economics says that the farm that is owned must be capable of supporting the farmer and his family and the farmer must know how to use the farm's resources wisely.

Making an owner out of a tenant does not shelter the farmer from the adverse forces which beset small farmers generally. It merely puts him in a better position to run his farm on a sound basis, and meet the adversities by adapting his farm program to the conditions of the day. After becoming an owner, a farmer still needs technical advice; he still needs production loans and disease control and cooperative action with his neighbors. The point is, he is better able to make use of these things when he is an owner. Furthermore, he is more willing to make use of them on his own farm. Ownership makes general farming more possible and practicable, and general farming frequently means "bigger acres."

Because farm ownership is so important in national agricultural policy, the Federal Government has made funds available for this purpose through the Federal Land Banks and the Farm Security Administration. In addition, of course, many commercial banks, insurance companies, and other private organizations have been helping farmers to become owners.

Loans for Ownership

Two agencies of the Federal Government make loans to enable nonowner farmers to buy farms of their own: (1) The Farm Credit Administration emphasizes normal banking procedures and provides credit at low interest rates to farmers who can make a sizable cash contribution of their own to the purchase and who can present adequate security, as required by private lending agencies; (2) the Farm Security Administration was specifically authorized by the Bankhead-Jones Farm Tenant Act of 1937 to make loans to tenants who can offer very little security. Although preference is given to farmers who can make down payments, Bankhead-Jones farm-purchase loans can be made to cover the entire cost of purchase and initial improvement.

Farm-mortgage loans of two types may be obtained from the Farm Credit Administration. One is the Federal Land Bank loan, which is made only upon the security of a first mortgage on farm land including the buildings and other improvements. The other is the land-bank commissioner loan which is secured by either a first or a second mortgage covering the farm land and improvements. It is common for a farmer to receive both.

Land-bank loans may be made up to 50 percent of the appraised normal value of the land mortgaged, plus 20 percent of the appraised value of the permanent insured improvements. The amount of the commissioner loans, together with all prior indebtedness secured by the property to be mortgaged, may not exceed 75 percent of the appraised value of the property. Often these loans are made to a farmer at the same time—a first-mortgage land-bank loan and a second-mortgage commissioner loan. For ordinary purposes, therefore, the farm family will need a down payment or equity of 25 percent in order to buy a farm with these loans. It is essential, too, that the applicant shall have made a start in farming and have enough farming and management experience, and work stock, to operate the farm successfully.

Most land-bank and land-bank commissioner loans have been made for purposes of refinancing farm owners, keep-

ing them from losing their property, and falling into tenancy. In 1940 over 67 percent of all land-bank loans and nearly 70 percent of commissioner loans went for refinancing, and in 1934 at the depth of the depression 88 percent of the former and 92 percent of the latter went for that purpose. Since October 1, 1935, however, more than 101,000 loans have been made to farmers for the purchase of farms, including those bought by farmers from the land banks and the Federal Farm Mortgage Corporation through which commissioner loans are made.

Legislation for Tenants

The tenant-purchase loan program of the Farm Security Administration is the Federal Government's first specific attempt to lift tenants, sharecropper, and day laborers into the ranks of owners.

In a certain number of designated agricultural counties in which farm population and tenancy are heaviest, committees of three local farmers constitute the tenant-purchase loan committee to pass on all applications from nonowner farmers in the county. Character, ability, and experience are emphasized in the selection. Preference is given by law to married persons or persons with dependent families, persons able to make some sort of down payment, or persons who own livestock and equipment necessary to carry on farming operations. Because most low-income tenants have very little to offer in the way of property or equipment, primary emphasis is usually given to the character and ability of the applicant.

The successful applicant for a tenant-purchase loan selects the farm he wants to buy, but the local committee has to pass on it before the loan is made for its purchase. The farm that is bought by the new owner must be a family-type unit which can, in general, be operated with the labor available in the family. It must be large enough and sufficiently productive so that the borrower, under good management, can pay taxes and insurance, maintain the property, provide a satisfactory living for the family, and retire the purchase loan. In many counties, area analyses

and classification maps prepared by the county land use planning committees are helpful in selecting the farm for the new owner.

Tenant-purchase loans cover the cost of buying the land and repairing or constructing farm buildings. Many tenant-purchase farms need new dwellings, and if so, the loan is made large enough to enable the borrower to have a house built according to modern designs that are supplied by the Government, if desired. Tenant-purchase houses are low in price, but are well planned and well constructed. Funds for improvements, like wells, drainage, fencing, and out-buildings, are provided where necessary. Altogether the complete cost of the average tenant-purchase farm unit runs about \$5,000.

Planning for the Long Run

At the heart of the tenant-purchase program is the assistance given to the borrower in planning and running his farm program. With the help of the local Farm Security Administration farm and home supervisors, the farmer and his wife work out farm- and home-management plans calling for approved cropping practices, soil-conserving work, crop and stock diversification, and home production of feed and food; and they are taught how to budget and keep record of their income and expenses. In many counties the land use planning committees have made analyses determining, by areas, the size of farm unit and type of farming most likely to succeed in the area. Consideration is also given to land suitable for farming that is not being farmed. Classification maps show the area boundaries and the recommended use for the land. These farm plans help the new owners to make the best use of their resources.

Although the tenant-purchase loan is secured by a mortgage or deed of trust, the long-run security for the repayment of the loan is the ability of the farmer to make his payments. The legislation therefore provided for a repayment schedule which allows the borrower to vary his payments on the loan with his year-to-year farm income.

That is, the tenant-purchase borrower can pay more in good crop years and less in poor ones. The payments of those who follow this variable-payment plan (all borrowers do not have to follow it) must be sufficient to pay off the loan and interest at 3 percent over 40 years' time. With less dependence on one or two cash crops, the diversified farmer under the Bankhead-Jones program is doubly insured against the risk of having one or two bad years ruin his chances for ownership.

Many tenant-purchase loan borrowers find it necessary also to apply for small F. S. A. operating loans with which to get their farm operations started. Those who were previously sharecroppers or day laborers need equipment, and many of them need initial advances for livestock, and for seed and feed during the first year. These advances are made under the F. S. A. rehabilitation program.

The tenant-purchase loan program is very limited in the number of farmers it can reach. About 13,000 farmers in 1,300 counties had become owners under the program at the close of the fiscal year ending June 30, 1940. Many were young farmers who had just finished a few years of "training" as laborers or tenants before moving on toward ownership.

Long-Term Private Financing

Several private lending agencies, particularly large life insurance companies, have likewise based long-term farm-purchase loans on careful farm-management practices. The value of the farm real estate held by life insurance companies in 1938 represented an increase over 1929 of 698 percent, and totaled \$705,207,000. A large part of this real estate is being sold to farmers on terms somewhat similar to the Federal Government's tenant-purchase program, emphasizing crop rotation, soil conservation, live-at-home practices, and general diversification of enterprises.

DISCUSSION VI—RURAL ORGANIZATIONS AND TENANCY

Questions

1. Has your rural organization lost members to other communities during the last 5 years? What has been the effect of frequent moving upon the work and organization of your group?
2. List the ways your organization has helped better the lives of the farm people in your community. Do you think it could have done more? What were the greatest obstacles to an extension of its program?
3. Have there been young married couples in your organization who have left your community because they were unable to get located on a farm? Do you think your organization could have helped them? How? Should it have helped?
4. What are the values of a land-owning, home-building way of rural life? Are there any other ways that these values can be preserved except through home ownership?
5. Should funds of benevolent or other national boards of your organization be made available to assist deserving farmers to acquire land? Should your organization acquire land itself for lease or resale to farmers?
6. Do owner families participate in rural organization activities in your community more regularly than tenant families? Can you give any reasons for any difference which you might notice in their attendance records?
7. Does your organization or do the organizations in your community exert considerable influence among the people? Do you believe your organization could do more things without people getting the feeling that it was going outside its functions?
8. What do you believe is the connection between the kind of life a farm family leads and the family's abilities as farmers? Between its kind of life and the family's place in the neighborhood? Between its kind of life and the family's ability to face hardships when they come along?
9. Are the rural organizations in a better position to work with people and in their welfare programs than the urban groups? Do you believe the rural organizations do more to help the people than the urban organizations?

10. Are the organizations in your community well supported? What sort of prosperity will best contribute to their support? Under what sort of conditions are the rural organizations less likely to get adequate support?

Present evaluations of the capacities of people for national defense have brought out forcefully that the real strength of a nation lies not so much in its natural resources as in the spirit of the people. A strong, stable, satisfied population is the greatest bulwark that a democratic country has against aggression of any sort. It has been the experience of the world that this strength of the people is best achieved by making it possible for families to find security where they live.

In the rural areas this security naturally hinges on three things: (1) The capacity of the land to provide a decent living, (2) the ability of the farmers to use the land wisely and resourcefully, and (3) general acceptance of values which demand at least a minimum standard of material well-being and an opportunity for growth of each individual personality.

It is generally recognized that the rural organizations play a large part in the third requirement for the well-being of rural people—the acceptance of values which guide people in their thoughts and actions. These values, of course, vary even between different parts of the country. The standard of material security that a rural people demands is determined largely by the values people place on such prosperity. The extent to which rural people would insist that everyone should share at least the same standards is likewise determined by the people's values which in turn are largely shaped by the rural organizations and by the good neighborliness that all rural organizations teach.

But the rural organizations can go further than to help its members determine their value standards. It actually helps them live those values. In rural areas these organizations are usually close to the people so they can tie in, for each individual, the relation between his values and his physical as well as his moral success. For example, the organizations may be able to show that farmers who

are industrious and are scrupulously honest in their dealings with others usually manage to maintain their living standards to a certain degree in the face of adversities short of disaster. These farm families who have well-established values can weather storms because they do not become discouraged so easily and because they have placed some value on work itself. Of course, few organizations would try to point out that being a good man means that a farmer will become prosperous, or that great material success has any particular value in itself. But the organizations do help farmers to achieve material security by helping them to place emphasis on the moral values which make them live and work more satisfactorily in all ways.

More immediately recognized, of course, is the inspiration which often comes through the organizations to those farm families who have met defeat and are in danger of losing their sense of direction. It has been amazing to many city people how farm families who are apparently beaten in submarginal areas have pluckily gone back, day after day, to the same eroded fields that have failed to provide for them. Actually it is this strength that makes improvements in farming possible; otherwise many farmers would not be able to carry on through the years while their land is being rebuilt under scientific practices. It is the rural organization's part to help farmers to see that success is rarely final and defeat rarely fatal.

Rural Organizations Can Help Directly

Rural organizations can work directly to help farm families improve their living standards. Using the local church as an example, it can be suggested that in his contact with the people of his church, a rural minister can transmit written material, and in some cases his own knowledge, about modern farming practices and planning. He can help them form cooperatives of different sorts so that they can cut down costs and improve their facilities by working together. In many communities a rural minister can be particularly helpful in studying and, if

conditions indicate the probability of reasonable success, in helping to set up credit unions to enable farmers, particularly low-income farmers, to meet many of their credit problems at little cost.

The rural minister can be, and often is, a close cooperator with the representatives of various governmental agencies—local, State, and Federal—who are working in the area on farm problems. Not only can the minister carry the advice of these experts to the people but he can transmit back to these Government workers a first-hand account of the problems of the area as he sees them. This aids in shaping the various governmental programs in more realistic and effective ways.

In the rural churches a number of projects may be started to help local farmers to meet their problems. Study groups can be formed to gather together the facts on land values, erosion, tenancy, crop production, and many other important subjects. Self-help projects can be started, such as mattress-making parties and quilting bees. Direct relief in the form of food and clothing to some distressed family in the community can be afforded by a rural church and its congregation. In numerous other ways a rural church, through demonstration or direct aid, can help to improve the local farm family's ability to work out satisfactory living standards, and the vast recreational potentialities of rural church organizations must not be forgotten.

Helping the Young Farmer

Rural organizations in general have a particular problem in the form of the young farmer who, with his wife and small family, is trying to get established on the land. Not many rural organizations can afford to set up one of these families as some religious institutions have been able to do—as among “the Mormons” in Utah. But every small rural organization can help in some way to get such young farmers on the land under decent arrangements.

Ownership for these families is sometimes one of the important immediate goals. An organization can use its

influence in seeing that local credit is available for such a purpose if the conditions indicate reasonable success under ownership. It can advise young farmers about the various problems connected with ownership and arrange for them to come together with experts in farm management and home economics and other subjects about which they need a knowledge for satisfactory farm operation and home management.

Equitable tenure arrangements, on the other hand, are often enough to bring the security the young tenant farmer seeks. Arranging fair and accurate leases is often a local matter in which a leading representative of an organization could play an effective part. Here again the local organization might explain some of the difficulties connected with this type of farm operation so that the young tenant family can move forward intelligently.

Most important, the members of the young farm family no less than the older folks need the inspiration of a sound, strong philosophy of life. To help people to achieve that kind of a philosophy is the part of every rural organization.

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